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MEMORANDUM FOR THE RECORD

SUBJECT: Discussion of national estimates and the estimating process with Mr. Walter W. Rostow, Department of State, 16 August 1962

1. Mr. Allan Evans who handles coordination of national estimating for the Department arranged for us to see Mr. Rostow in connection with the inspection of the estimating system now in progress in the Agency. Mr. Rostow very generously gave us more than an hour of his time and commented freely on many aspects of the objectives and contributions of estimates to the national security.
2. Our first question to Mr. Rostow was whether he reads the estimates himself. He answered promptly that he reads them all. He added that he finds them to be of high quality in organization, clarity, management of background information, and in soundness of the judgments presented. (This response paralleled an earlier statement from Mr. Parrot of General Taylor's office that General Taylor while at the White House also read all of the estimates.) Mr. Rostow also believes that the estimates on specific areas and subjects are read in the Department by the appropriate operating officials. At a later point he observed, however, that operating officials probably still make most of their decisions without close utilization of formal estimates. He doubted further that these officials employ personal staff to provide them with anything approximating professional intelligence support.
3. Mr. Rostow then spent approximately fifteen minutes developing what he sees as two critical areas of weakness or challenge to effectiveness of performance by the present-day U.S. estimating system. The first of these was a speculation whether the estimating system is not prone today to a too even treatment of all of the facets of the given target country under estimative analysis. He thought that the effect of this tendency would be a failure to isolate and highlight areas of impending critical change.

Example

4. His second point was perhaps more speculative and concerned the capability of the estimating apparatus to fuse its findings on each segment of a target country--economic, political, military, scientific--into an effective appreciation of how these parts interact to produce events and trends of strategic significance.

5. Mr. Rostow cited the estimating problems facing the United States in dealing with Communist China in his discussion of each of the above points. He returned repeatedly to the problem of estimating the appearance and effects of the Chinese agricultural crisis and its far-reaching implications for other parts of the Chinese economy, defense system and current political posture.

6. Questions on the adequacy of intelligence research in support of estimating brought forth several interesting observations. Other observers with whom we had talked had expressed the opinion that there are important gaps in intelligence research today including, for example, economic research in free world areas, analysis of defense systems, and appreciation of geopolitical problems in Africa. Mr. Rostow commented that there is a wealth of good background intelligence analysis being produced today and that he depends on it in going behind the estimates into critical problem areas. He recalled a conversation with an associate from the Joint Chiefs of Staff in which he speculated that 75% of intelligence is wasted in terms of utilization by operating officials and the friend felt that 90% was a more realistic figure. He expressed little fear of duplication of analytic effort and seemed to feel that an intelligence organization that senses a deficiency in analysis should move in and try its hand at the problem. He suggested that there is a basic weakness in the present U.S. system of collection of intelligence. Diplomatic representatives are schooled in the collection techniques evolved in the advanced Western countries. In African countries association with what might be called the standard diplomatic circles is quite inadequate as a means of appreciating the forces of change in tribal, labor and political groupings.

7. Mr. Rostow had many ideas for dealing with the problems of estimating. He spoke of his own efforts to build up the policy planning apparatus of the Department and the executive branch of the Government but did not go into detail on specific measures. He agreed that there is a distinct need for close communication between planners and estimators and said that he would welcome a two-way exchange of staff between the Policy Planning Council and the Board and Staff of ONE.

8. He was particularly interested in increasing communication between estimators and operating officials. Present procedures for setting terms of reference for national estimates should be modified to include early face-to-face discussions between operators who request estimates and ONE estimators to explore issues and agree on research and estimating judgments most likely to be of significance to the operators. He thought it might be useful to append the notes of such discussions to the formal terms of reference.

9. Mr. Rostow spoke of his own visits to ONE to get acquainted with ONE personnel and the estimating system. He felt that it is very important that room be maintained on the Board of National Estimates for several members who would be quite unorthodox in background and outlook and who would help thereby to introduce real challenges to Board thinking. (His own suggestions on Board membership in the future would be of interest.)

10. On the subject of evaluation of the estimating performance Mr. Rostow again emphasized the need for fresh views and suggested that validity studies should be undertaken by outside professors who might spend a summer in ONE examining the preparation, quality, and impact of a series of estimates on a particular problem. STRAYER
OF PRINCETON
IS HERE NOW.

11. Late in the meeting Mr. Rostow referred to a forthcoming book on Pearl Harbor of which he had an advance copy. (CIA Library located a copy on Friday and will notify the Deputy Inspector General when it is received.) A paragraph in the preface of this book discusses the problem of systems coping with surprises. Mr. Rostow said he had read the pertinent passages to his own staff and proceeded to have the book retrieved from a colleague and to read them to us. This resume by no means does justice to the freshness of Mr. Rostow's thinking and conversation. It would be most appropriate to invite him to set down his ideas on estimating problems for publication in Studies in Intelligence.

cc: Executive Director
DD/I
AD/NE

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